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SENATE BILL 7

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Pete Campos

AN ACT

RELATING TO DEVELOPMENT TRAINING; PRESCRIBING A SELECTION
CRITERIA FOR AWARDS OF DEVELOPMENT TRAINING FUNDS; TRANSFERRING
ADMINISTRATION OF THE DEVELOPMENT TRAINING PROGRAM TO THE LABOR
DEPARTMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 21-19-7 NMSA 1978 (being Laws 1983,
Chapter 299, Section 1, as amended by Laws 2003, Chapter 352,
Section 1 and by Laws 2003, Chapter 353, Section 1 and also by
Laws 2003, Chapter 360, Section 3) is amended to read:

"21-19-7. DEVELOPMENT TRAINING. --

A. The [~~economic development~~] labor department
shall establish a development training program that provides
quick-response classroom and in-plant training to furnish
qualified manpower resources for new or expanding industries

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1 and nonretail service sector businesses in New Mexico and film
2 and multimedia production companies in New Mexico that have
3 business or production procedures that require skills unique to
4 those industries. Training shall be custom designed for, and
5 based on the special requirements of, each company. The
6 program shall be operated on a statewide basis and shall be
7 designed to assist any area in becoming more competitive
8 economically.

9 B. Money from the development training fund shall
10 be awarded on a periodic basis determined by the industrial
11 training board and based on applications that best meet
12 selection criteria promulgated by rule of the board. Selection
13 criteria shall include:

14 (1) the complexity of skills needed by the
15 company;

16 (2) whether the company proposes to target
17 hard-to-employ persons;

18 (3) the wages and benefits of trainees and
19 other company employees;

20 (4) the proposed number of trainees and the
21 number of total jobs available from the company;

22 (5) employee promotion history and retention
23 rates of trainees and other employees of the company;

24 (6) the economic and environmental impacts of
25 the company on the area;

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1 (7) unemployment rates of the area from which
2 trainees and employees will most likely be hired;

3 (8) past financial performance of the company;

4 (9) the community service history of the
5 company; and

6 (10) other criteria the board deems important
7 to economic development and the quality of life of the area.

8 [~~B.—There is created~~] C. The "industrial training
9 board" is created, composed of:

10 (1) the director of the economic development
11 division of the economic development department;

12 (2) the director of the vocational education
13 division of the [~~state department of~~] public education
14 department;

15 (3) the director of the job training division
16 of the labor department;

17 (4) the executive director of the commission
18 on higher education;

19 (5) one member from organized labor appointed
20 by the governor; and

21 (6) one public member from the business
22 community appointed by the governor.

23 [~~C.—~~] D. The industrial training board shall
24 establish policies and promulgate rules for the administration
25 of appropriated funds and shall provide review and oversight to

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1 assure that funds expended from the development training fund
2 will generate business activity and give measurable growth to
3 the economic base of New Mexico within the legal limits
4 preserving the ecological state of New Mexico and its people.

5 ~~[D.]~~ E. Subject to the approval of the industrial
6 training board, the ~~[economic development division of the~~
7 ~~economic development]~~ labor department shall:

- 8 (1) administer all funds allocated or
9 appropriated for industrial development training purposes;
- 10 (2) provide designated training services;
- 11 (3) regulate, control and abandon any training
12 program established under the provisions of this section;
- 13 (4) assist companies requesting training in
14 the development of [a] training ~~[proposal]~~ proposals to meet
15 the companies' manpower needs;
- 16 (5) contract for the implementation of all
17 training programs;
- 18 (6) provide for training by educational
19 institutions or by a company through in-plant training, at that
20 company's request; and
- 21 (7) evaluate training efforts on [a] the basis
22 of performance standards set forth by the industrial training
23 board.

24 ~~[E.]~~ F. The vocational education division of the
25 ~~[state department of]~~ public education department shall provide

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1 technical assistance to the [~~economic development~~] labor
2 department concerning the development of agreements, the
3 determination of the most appropriate instructional training to
4 be provided and the review of training program implementation.

5 ~~[F-]~~ G. Except as provided in Section 21-19-7.1
6 NMSA 1978 for film and multimedia production companies, the
7 state shall contract with a company or an educational
8 institution to provide training or instructional services in
9 accordance with the approved training proposal and within the
10 following limitations:

11 (1) payment shall not be made for training in
12 excess of one thousand forty hours of training per trainee for
13 the total duration of training; provided that no more than ten
14 percent of the payments are for part-time positions;

15 (2) training applicants shall have resided
16 within the state for a minimum of one year immediately prior to
17 the commencement of the training program and be of legal status
18 for employment; provided, however, that prior to July 1, 2004,
19 the residency requirements may be waived in part for projects
20 within New Mexico communities located within fifty miles of the
21 state border if the project meets the following criteria:

22 [~~(a) the project will employ more than~~
23 ~~one thousand five hundred employees;~~

24 ~~(b)]~~ (a) the resident labor force within
25 a fifty-mile radius of the project location is not sufficient

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1 to fill the full-time-equivalent position requirements of the
2 project as determined by the labor department; and

3 [~~(c)~~] (b) preference for training shall
4 be given to New Mexico residents [~~and~~

5 ~~(d) no less than fifty percent of the~~
6 ~~project's work force shall be residents of New Mexico];~~

7 (3) payment for institutional classroom
8 training shall be made pursuant to any accepted training
9 contract for a qualified training program;

10 (4) payment shall not be made pursuant to any
11 accepted training contract for rental of facilities unless
12 facilities are not available on site or at the educational
13 institution;

14 (5) all applicants shall be eligible under the
15 federal Fair Labor Standards Act of 1938, as amended, and shall
16 not have terminated a public school program within the past
17 three months except by graduation;

18 (6) trainees shall be guaranteed full-time
19 employment with the contracted company upon successful
20 completion of the training;

21 (7) persons employed to provide the
22 instructional services shall be exempt from the minimum
23 requirements established in the state plan for other state
24 vocational programs;

25 (8) payment shall not be made for training

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1 programs or production of Indian jewelry or imitation Indian
2 jewelry unless a majority of those involved in the training
3 program or production are of Indian descent; and

4 (9) if a company hires twenty or more
5 trainees, payment shall not be made for training in a
6 municipality having a population of more than forty thousand
7 according to the most recent decennial census or a class A
8 county unless the company:

9 (a) offers its employees and their
10 dependents health insurance coverage that is in compliance with
11 the New Mexico Insurance Code; and

12 (b) contributes not less than fifty
13 percent of the premium for the health insurance for those
14 employees who choose to enroll; provided that the fifty percent
15 employer contribution shall not be a requirement for the
16 dependent coverage that is offered."

17 Section 2. Section 21-19-10 NMSA 1978 (being Laws 1983,
18 Chapter 299, Section 4, as amended) is amended to read:

19 "21-19-10. COMMUNITY DEVELOPMENT ASSISTANCE. -- The labor
20 department and the economic development department shall
21 provide assistance to political subdivisions of the state so
22 that they can construct or implement projects necessary to
23 provide services that will encourage the location of industry
24 in the political subdivisions. The economic development
25 department shall, for this purpose, make low-interest loans to

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1 political subdivisions of the state with the approval of the
2 economic development [~~and tourism~~] commission and after
3 coordination with the local government division of the
4 department of finance and administration pursuant to the New
5 Mexico Community Assistance Act. "

6 Section 3. Section 21-19-11 NMSA 1978 (being Laws 1983,
7 Chapter 299, Section 5, as amended) is amended to read:

8 "21-19-11. FUNDS CREATED. --

9 A. [~~There is created in the state treasury~~] The
10 "development training fund" is created in the state treasury.
11 Money appropriated to the fund or accruing to it through gifts,
12 grants, repayments or bequests shall not be transferred to any
13 other fund or be encumbered or disbursed in any manner except
14 as provided in Section 21-19-7 NMSA 1978. Money in the fund
15 shall not revert at the end of any fiscal year. Money in the
16 fund is appropriated to the [~~economic development~~] labor
17 department. Money in the fund shall be expended upon warrant
18 drawn by the secretary of finance and administration pursuant
19 to vouchers signed by the secretary of [~~economic development~~]
20 labor or his authorized representative to carry out the
21 purposes specified in Section 21-19-7 NMSA 1978.

22 B. [~~There is created in the state treasury~~] The
23 "development fund" is created in the state treasury. Money
24 appropriated to the fund or accruing to it through gifts,
25 grants, repayments or bequests shall not be transferred to any

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1 other fund or be encumbered or disbursed in any manner except
2 as provided in this subsection. Money in the fund shall not
3 revert at the end of any fiscal year. Money in the fund shall
4 be administered by the economic development department or its
5 successor for the purpose of making low-interest loans to
6 political subdivisions of the state so that they can construct
7 or implement projects necessary to provide services that will
8 encourage the location of industry in the political
9 subdivisions. The economic development department shall
10 coordinate these loans with the local government division of
11 the department of finance and administration pursuant to the
12 New Mexico Community Assistance Act. Money in the fund shall
13 be expended as provided in Section 21-19-10 NMSA 1978. "

14 Section 4. Section 21-19-12 NMSA 1978 (being Laws 1997,
15 Chapter 71, Section 3) is amended to read:

16 "21-19-12. TEMPORARY PROVISION--APPROPRIATION OF FUND
17 BALANCES.--The [~~economic development~~] labor department may
18 expend money in the development training fund in the 1997 and
19 subsequent fiscal years that was appropriated in prior fiscal
20 years to carry out the purposes of Section [~~21-9-7~~] 21-19-7
21 NMSA 1978. "

22 Section 5. TEMPORARY PROVISION--TRANSFER OF PROPERTY,
23 CONTRACTUAL OBLIGATIONS AND STATUTORY REFERENCES.--On the
24 effective date of this act, all appropriations, money, records,
25 files and other property of the economic development department

1 related to the development training program shall be
2 transferred to the labor department. All contractual
3 obligations of the economic development department pertaining
4 to the development training program shall be contractual
5 obligations of the labor department. References in the law to
6 a state agency other than the labor department that administers
7 the development training program provided for in Section
8 21-19-7 NMSA 1978 shall be deemed to be references to the labor
9 department.

10 Section 6. EFFECTIVE DATE. --The effective date of the
11 provisions of this act is July 1, 2005.

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